

## COMPACT GOAL

The five-year, \$697.5 million Compact with the Kingdom of Morocco seeks to reduce poverty and stimulate economic growth through investments in five projects. These strategic investments will increase productivity and improve employment in high growth potential sectors such as fruit tree productivity, small-scale fisheries, and artisan crafts. Small business creation and economic growth will also be complemented by investments in financial services and enterprise support.

## COMPACT AT A GLANCE

Compact Signed	08-31-2007
Entry Into Force	09-14-2008
Compact End Date	09-15-2013
Compact Total	\$697,500,000
Amount Committed	\$544,642,080
Amount Expended	\$268,522,269
Estimated Program Beneficiaries	845,415
Estimated Increase in Household Income	\$860,408,732

## % OF TOTAL COMPACT BUDGET (USD MILLIONS)

47%	<b>Fruit Tree Productivity Project</b>	<b>\$326.0</b>
17%	<b>Small-Scale Fisheries Project</b>	<b>\$120.6</b>
13%	<b>Artisan and Fez Medina Project</b>	<b>\$93.5</b>
4%	<b>Enterprise Support Project</b>	<b>\$31.0</b>
6%	<b>Financial Services Project</b>	<b>\$43.7</b>
10%	<b>Program Administration</b>	<b>\$67.7</b>
2%	<b>Monitoring and Evaluation</b>	<b>\$16.2</b>



■ Project Preparation ■ Project Implementation

## Fruit Tree Productivity Project

### PROJECT COST

**\$326,096,445**

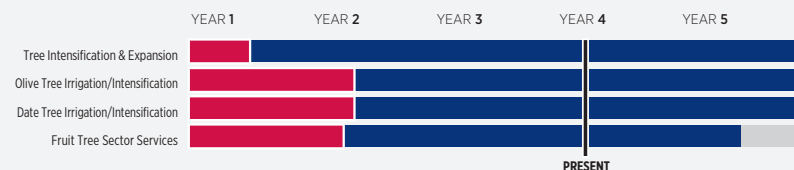
### TOTAL CONTRACT COMMITMENTS

**\$292,847,092**

### TOTAL PROJECT EXPENDITURES<sup>1</sup>

**\$149,295,576**

Stimulate the agricultural sector and reduce production volatility by: rehabilitating existing olive trees and expanding production of olive, almond and fig trees; moving small farms from high water-use, lower-value cereal grains to low water-use, higher-value fruit trees in certain terraced areas; increasing irrigation efficiency and productivity; and capacity building.



## Projected Long-Term Results (Up to 20 years)

ESTIMATED BENEFICIARIES

**579,925**

ESTIMATED INCREASE IN  
HOUSEHOLD INCOME

**\$505,000,000**

### PROJECTED RESULTS BY END OF COMPACT

49,860 farmers trained; 583 agribusinesses assisted; 62,074 new hectares under production with MCC support, and agricultural production worth \$129.5 million.

### PROGRESS TO DATE

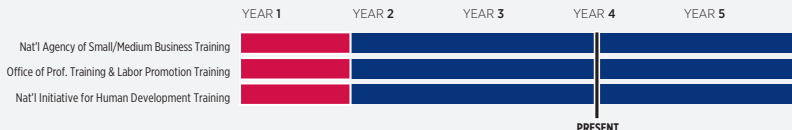
62,074 hectares of rain-fed orchards contracted, 42,451 hectares of trees planted. For the irrigated activity, 100% of the design feasibility studies completed; four Tranche 1 contracts, covering 18,000 ha, nearing completion, and 35% of works contracts disbursed, leading to resurfacing/rehabilitation of almost 166 km of canals in irrigated olive zones. 12,223 farmers trained in soil management, marketing and other farming best practices.

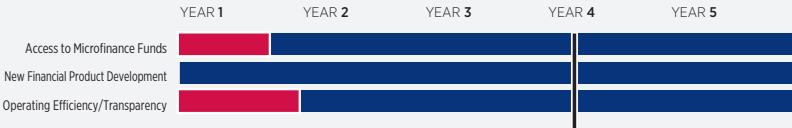
### PROJECT ACHIEVEMENTS

The Government of Morocco is providing funding for planting an additional 21,000 ha of rain-fed orchards, and contracts will be signed in the near future. The first set of women's Pilot Projects, which will help ensure that women working in agriculture receive increased access to Compact benefits, have been launched.

<h3>Small-Scale Fisheries Project</h3> <p>Transform the small-scale fisheries sector by: constructing landing sites, building/upgrading fishery facilities; building wholesale markets; providing technical assistance; partially funding fresh-fish transportation equipment for mobile fish vendors; and establishing Marine Protected Areas and increasing efforts to ensure sustainable use of fish resources.</p>	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>																												
	\$120,668,028	\$96,457,145	\$14,878,156																												
<h4>Projected Long-Term Results</h4> <p>(Up to 20 years)</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>125,590</td><td>\$273,300,000</td></tr></table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	125,590	\$273,300,000	<table><thead><tr><th></th><th>YEAR 1</th><th>YEAR 2</th><th>YEAR 3</th><th>YEAR 4</th><th>YEAR 5</th></tr></thead><tbody><tr><td>Fishing Landing Sites/Port Facilities</td><td>█</td><td>█</td><td>█</td><td>█</td><td>█</td></tr><tr><td>Wholesale Fish Markets</td><td>█</td><td>█</td><td>█</td><td>█</td><td>█</td></tr><tr><td>Support to Mobile Fish Vendors</td><td>█</td><td>█</td><td>█</td><td>█</td><td></td></tr></tbody></table> <p>PRESENT</p>				YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Fishing Landing Sites/Port Facilities	█	█	█	█	█	Wholesale Fish Markets	█	█	█	█	█	Support to Mobile Fish Vendors	█	█	█	█	
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Net annual revenues of boats accessing the improved landing sites expected to increase from \$19,140 to \$31,370; Annual income of mobile fishermen expected to increase from \$3,586 to \$4,880.	Construction is progressing well at 3 sites (1 landing site, 1 port and a wholesale market). APP has signed contracts for 11 additional sites (4 landing sites, 4 ports and 3 wholesale markets) and is evaluating bids for 8 more sites. Final design and environmental studies are being completed for the final 4 sites, construction of which will depend on availability of funds. 199 3-wheel motorbikes have been distributed to mobile vendors.	The Small-Scale Fisheries project is currently instituting a process for supporting pilot projects to increase income for women whose livelihoods depend on the fishing sector. APP has hired an NGO to manage this process. A major national workshop on Marine Protected Areas (MPAs) was convened in October 2011, marking the last step in a long political process designed to introduce the concept of MPA for fisheries purposes in Morocco.																													

<h3>Artisan and Fez Medina Project</h3> <p>Stimulate growth by leveraging links between the craft sector, tourism and the Fez Medina's cultural, historic and architectural assets; strengthen the national system for literacy and vocational education (to benefit artisans and the general population); support the design/reconstruction of historic sites in Medina.</p>	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>																																		
	\$93,523,859	\$59,050,810	\$15,965,339																																		
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Rehabilitate five Fez Medina Sites; raise average wages and profits of small and medium pottery workshops from \$1,870 to \$2,843 per month; 69,000 beneficiaries receiving literacy training and 23,700 receiving vocational training.	Construction work has begun at Ain Nokbi. An invitation to bid for constructing the foundouks is being finalized (expected issue in Feb 2012); and Place Lalla Yeddouna designs are expected to be completed in the first quarter of calendar year 2012. 27,532 beneficiaries have received literacy training, and 4,450 have received vocational training.	International architectural competition for design of Place Lalla Yeddouna was completed, with over 170 teams having competed. New “demonstration” gas-fired kilns have been delivered, and more than 2,500 potters have received training through the Artisan Production and Promotion activity.																																			

Enterprise Support Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>†</sup>
	\$31,000,000	\$14,455,661	\$12,150,300
Reduce high unemployment among young university graduates and encourage a more entrepreneurial culture by: measuring the impact of three pilot training initiatives being offered by the Government; expanding training initiatives beginning in Compact year four; and capacity building to help the Government better manage the selection and training processes for entrepreneurs.			
	PRESENT		
<b>Projected Long-Term Results</b> (Up to 20 years)			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME		
13,000	\$34,000,000		
<b>PROJECTED RESULTS BY END OF COMPACT</b>		<b>PROJECT ACHIEVEMENTS</b>	
Increase the survival rate of new businesses from 76% to 81%. The value added per enterprise expected to increase on average by \$840 per year.		Training was completed for three Government of Morocco implementing entities, enabling them to complete enterprise diagnostics and oversee coaching of entrepreneurs. An information system allowing them to track progress has been installed.	
<b>PROGRESS TO DATE</b>			
The first phase of training and support to enterprises will be completed by February 2012. 8,322 days of individual coaching have been provided.			

Financial Services Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>†</sup>
	\$43,700,000	\$28,377,429	\$25,981,614
Increase financial services for microenterprises by addressing sector constraints: investing in Jaida's subordinated debt; analyzing regulatory and operational requirements for microcredit associations to change legal structure; supporting improvements to financial sector efficiency and transparency.			
	PRESENT		
<b>Projected Long-Term Results</b> (Up to 20 years)			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME		
N/A.	\$0		
<b>PROJECTED RESULTS BY END OF COMPACT</b>		<b>PROJECT ACHIEVEMENTS</b>	
Improve micro-enterprise services and remove most severe constraints to the development of the microfinance sector based on market principals; ensure funding of the micro-credit sector through the Jaida Fund; develop new financial products.		Jaida microfinance fund has received \$25 million in subordinated loans from MCC, leveraging these funds to meet the financing needs of Moroccan microcredit associations.	
<b>PROGRESS TO DATE</b>			
Microcredit associations are being selected for MCC-funded grants for technical assistance to help them remain competitive, develop new products and strengthen their management information systems. The number of active MFI clients has increased to 793,245; 669 micro-credit associations have been trained on social and environmental standards.			

In the spring of 2010, the Government of Morocco requested a modification of the Artisan and Fez Medina project, and the Makina component of the project was subsequently removed. In the fall of 2010, the Government of Morocco requested a modification of the Fruit Tree Productivity project, reducing the number of new planting in rain-fed areas from 120,000 ha to 62,000 ha. Rain-fed rehabilitation and area affected by the two irrigated Project activities did not change.

The Agence du Partenariat pour le Progrès (APP) is the entity implementing the Moroccan Compact.

In July of 2011, MCC approved the reallocation of \$21.2 million from the Artisan and Fez Medina Project to the Fruit Tree Productivity Project for creation of a new project activity. The activity, called the "Catalyst Fund," aims to stimulate private sector investment in the olive oil value chain.

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.